

Message Text

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52

ACTION IO-13

INFO OCT-01 AF-10 EUR-25 EA-11 NEA-10 ADP-00 RSR-01 ARA-11

L-03 COA-02 EB-11 OIC-04 CIAE-00 DODE-00 PM-09 H-02

INR-09 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14

USIA-12 ACDA-19 AEC-11 AGR-20 CG-00 COME-00 DOTE-00

FMC-04 INT-08 JUSE-00 NSF-04 OMB-01 SCI-06 CEQ-02

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R 121312 Z MAR 73

FM USMISSION USUN NY

TO SECSTATE WASHDC 6957

INFO AMEMBASSY LIMA

AMEMBASSY DAKAR

AMEMBASSY CANBERRA

AMEMBASSY KUWAIT

AMEMBASSY DUBLIN

UNCLAS USUN 0832

E. O. 11652: N/ A

TAGS: PBOR, UN

SUBJ: LOS: SUBCOMMITTEE II - THIRD AND FOURTH MEETINGS -
MARCH 9

1. SUMMARY. KUWAIT SUPPORTED FREE, UNIMPEDED NAVIGATION OF STRAITS FOR VESSELS. SUBCOMMITTEE II REACHED AGREEMENT ON ONE WORKING GROUP WITH OPEN- ENDED MEMBERSHIP AND POSSIBILITY OF SECOND GROUP AT LATER DATE. WORKING GROUP WILL DECIDE ON CHAIRMAN, PROCEDURES, ETC. PERU, SENEGAL, AUSTRALIA, KUWAIT AND IRELAND GAVE SUBSTANTIVE STATEMENTS. AUSTRALIA PROPOSED 200- MILE BREADTH FOR COASTAL STATE FISHERIES JURISDICTION UNDER ITS EARLIER PROPOSAL.

2. DURING MORNING MEETING, CONSENSUS EMERGED ON FORMATION OF SINGLE WORKING GROUP WITH EXCEPTION OF LAND- LOCKED/
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SHELF- LOCKED GROUP AND EASTERN DURUPEANS. AFRICAN GROUP CAUCUSED PRIOR TO MEETING AND OPENED SESSION BY ANNOUNC-

ING AFRICAN POSITION IN FAVOR OF ONE WORKING GROUP OF THE WHOLE WITH NO RPT NO DESIGNATED MEMBERS. THIS APPROACH SUPPORTED BY SPAIN, TURKEY, ITALY, PHILIPPINES (ON BEHALF OF ASIAN GROUP) VENEZUELA (ON BEHALF OF LATIN AMERICAN GROUP) AND ICELAND (ON BEHALF OF WESTERN EUROPE) BURSEMENT CLAUSE. DO YOU KNOW WHAT HAS CHANGED THE SITUATION? TEXT OF STANDARD CLAUSE, TEXT OF LATEST PROPOSAL PUT FORWARD BY EX- IM, AND SOME EXPLANATION OF RATIONALE WOULD BE APPRECIATED BY PHONE OR RETURN CABLE.

5. KOMAROV MENTIONED SEPARATELY THAT THERE WERE IN ADDITION A FEW OTHER MINOR DETAILS NOT YET AGREED WITH EX- IM.

6. SECOND COMPLAINT BY KUZMIN WAS THAT DELAY IN APPROVAL OF MFN WAS ALREADY HAVING SERIOUS EFFECT IN DETERRING COMPLETION OF EXISTING CONTRACTS. EXAMPLE OFFERED WAS THAT OCCIDENTIAL WAS NOW ALLEGING HIGH DUTY ON NICKEL MADE IT IMPOSSIBLE FOR OXY TO TAKE DELIVERY IN 1973 OF NICKEL CONTRACTED FOR LAST YEAR EVEN THOUGH SOVIETS WILL BE TAKING EQUAL VALUE OF US MACHINERY CONTRACTED FOR AT THE SAME TIME.

7. KOMAROV SEPARATELY SAID SOVIETS PLAN TO SCHEDULE DELIVERY OF NICKEL AND SEE WHAT HAPPENS. HE ALSO ESTIMATED VALUE OF NICKEL IN 1973 WOULD BE ONLY ABOUT \$4 MILLION.

8. LATER LOCAL OXY REPRESENTATIVE INFORMED ME BY PHONE THAT SPECIFIC NICKEL CONTRACT WAS SIGNED IN JANUARY UNDER UMBRELLA OF GENERAL COOPERATION AGREEMENT SIGNED LAST AUGUST; THAT 11,000 TONS, OF WHICH ABOUT 1000 TONS ARE FOR '73 DELIVERY, WERE CONTRACTED FOR AT A STATED PRICE; THAT OXY FULLY UNDERSTOOD THAT PRE- MFN DUTIES WOULD PROBABLY BE APPLICABLE AT LEAST TO SOME OF 1973 SHIPMENTS; THAT THERE HAS BEEN NO THOUGHT OF OXY NOT LIVING UP TO ITS CONTRACT; BUT THAT OXY HAD ASKED IN JANUARY WHETHER THE NICKEL COULD BE SHIPPED SOMEWHERE OTHER THAN US AND WHETHER THE SHIPMENT COULD BE DELAYED IN THE HOPE THAT MFN WOULD BE PASSED. THE SOVIETS REFUSED THE FIRST REQUEST AND HAVE NOT ANSWERED THE LATTER.

9. WOULD APPRECIATE ANY INFORMATION ON PROBABLE APPLICABLE DUTY LIMITED OFFICIAL USE

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PERCENTAGES ON AD VALOREM OR EQUIVALENT BASIS. WE UNDERSTAND DUTY ON UNWROUGHT NICKEL IS THREE CENTS PER POUND NOW AND WOULD FALL TO ZERO AND THAT RATE ON PLATES IS 30 PERCENT NOW AND WOULD FALL TO 12 PERCENT. PLEASE CONFIRM. OXY REPRESENTATIVE PROMISED TO PROVIDE PRICE AND OTHER INFORMATION AT OPENING OF BUSINESS IN MOSCOW TUESDAY. DUBS

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<< END OF DOCUMENT >>

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